

### **March 5, 2024, Annual General Meeting**

The Eastern Irrigation District held its Annual General Meeting on Tuesday, March 5<sup>th</sup>, 2024, 1:30 p.m. at the Heritage Inn in Brooks, Alberta. Approximately 125 people were in attendance.

The meeting was called to order by the Chair of the District, Mr. Tracy Hemsing, at 1:30 p.m.

#### **1.0 Welcome and Opening Remarks – Mr. Tracy Hemsing, Chairman, Board of Directors**

Mr. Hemsing welcomed those in attendance at the Annual General Meeting, including Jennifer Nitschelm, Director – Irrigation Secretariat; Mark Miyanaga, Member – Irrigation Council; Margo Jarvis Redelback, Executive Director – AIDA; County of Newell Reeve Arno Doerksen, and Councillors Holly Johnson, Neil Johnson, Lynnette Kopp, Amanda Philpott, and Greg Skriver; and City of Brooks Mayor John Petrie.

#### **2.0 Election of a Chair for the Annual General Meeting – Mr. Tracy Hemsing**

Mr. Hemsing called for nominations for Chair of the annual meeting.

**Moved by John Brummelhuis that Holly Johnson be nominated for Chair. Seconded by Kathlyn Peltzer. CARRIED**

Mr. Hemsing called for any further nominations.

As no further nominations were placed, Holly Johnson was elected Chair by acclamation. Ms. Johnson assumed the chair.

#### **3.0 Adoption of the Agenda**

Ms. Johnson advised of the format for making comments and asking questions from the floor, and asked if there were any revisions to the agenda. Mr. Friesen requested that an EIDNet funding announcement be added under General Matters and New Business. A motion to adopt the agenda as revised was requested.

**Moved by Lynnette Kopp that the agenda be adopted as revised. Seconded by John Brummelhuis.**

Ms. Johnson asked if there were any further additions or deletions to the agenda; being none, a vote on the motion was requested.

**The motion to adopt the agenda was carried.**

#### **4.0 Approval of the Minutes – March 7, 2023, Annual General Meeting**

Ms. Johnson called for a motion to accept or revise the minutes from the March 7, 2023, Annual General Meeting.

**Moved by John Brummelhuis that the minutes of the 2023 Annual General Meeting be approved as distributed. Seconded by Louis Claassen.**

Having no requests for revisions or corrections to the minutes, a vote on the motion was requested.

**The motion to approve the minutes was carried.**

## **5.0 Business Arising from the Minutes – March 7, 2023, Annual General Meeting**

Ms. Johnson called for items of business arising from the minutes of the 2023 Annual General Meeting; none were raised.

## **6.0 Presentation of Reports**

### **6.01 Chairman of the Board of Directors' Report – Mr. Tracy Hemsing**

Mr. Hemsing presented the Chairman's Report as summarized below:

- Above average temperatures in May and no precipitation in the Bow Basin caused river levels to drop one month earlier than normal, prompting Stage 3 of the Drought plan to be initiated.
- Reservoirs were heavily utilized and this year highlighted the need for additional storage to create water security and more management ability during times of drought. The Snake Lake Reservoir expansion project will provide the District with more water security.
- With the drought still looming, communication with Alberta Environment and other users along the Bow River will be very important going forward.
- To improve efficiencies, a 48-hour usage penalty was imposed for irrigators that choose not to communicate their irrigation needs with their Water Operators prior to taking water.
- After 20 years of not charging an irrigation water rate, a \$5.00/acre rate was approved to generate revenue for operating and project costs. 2023 operating costs were \$29.00/acre.
- To accommodate larger irrigated projects, there will now be 1,200 acres available for off river and 1,800 acres available under reservoir for development projects in 2024.
- Capital assets charges for 2024 are \$3,600/acre for new acres and those in excess of the infill and efficiency acre cap, \$1,500/acre for infill and efficiency acre up to the cap, and \$750/acre for conversion from acres under a terminable agreement. Earlier application deadlines and soil testing in advance of application submissions are currently being considered.
- With carry forward acres from 2022, the Board approved irrigation development of 3 District quarters in the Rolling Hills area. Lease agreements were auctioned in January of 2024.
- The Private Grazing Lease auction for 27 expiring grazing leases was held in November 2023.
- A strip of land, 6.0 km of easement, and 3.5 km of fencing was donated towards the Kinbrook Connection Pathway.
- Richard Hiebert was acclaimed in Division 1 and John Ketchmark was elected in Division 5.
- Irrigators were thanked for their cooperation during the irrigation season and for managing water use through flow measurement, use of the IRMA app, and flexible on-farm decisions.
- Irrigators were also encouraged to continue to reach out to Directors with their feedback.

Ms. Johnson asked for a motion to accept the report.

**Moved by Curtis Harbinson that the 2023 Chairman of the Board of Directors' Report be accepted as presented. Seconded by John Brummelhuis.**

Ms. Johnson asked if there were any questions of the Chairman; being none a vote on the motion was requested.

**The motion to adopt the report was carried.**

## **6.02 General Manager's Report – Mr. Ivan Friesen, General Manager**

Mr. Friesen presented expanded and complementary information to the General Manager's Report, as summarized below:

- Last spring, snow pillows were below average to average, it remained cool until mid-April, diversion began April 17<sup>th</sup> after thawing conditions allowed, and an early irrigation date was not in demand. Reservoirs were filled to Full Supply Level (FSL), except the Rolling Hills Reservoir.
- Above average temperatures in late April and May prompted an early beginning of snowpack melt, as well as a conclusion one month earlier than average. This, combined with a lack of rainfall in June, particularly in the upper basin, created river flows in June to drop to levels typically seen in late July. Clear indications were seen that if reduced flows continued along with increased irrigation demands, reservoirs would be depleted during the summer months.
- Irrigators were advised of the water supply and demand trends and on June 13<sup>th</sup> Stage 3 of the Drought Plan was initiated. A 12" (16" below Crawling Valley Reservoir [CVR]) water allotment was imposed, while allowing irrigators to transfer unused volumes of water between parcels. As the irrigation season continued, modest precipitation events in the upper basin and some local areas, along with cooperative water sharing measures with major water users on the Bow River system, allowed additional water allocations to be added. By July 19<sup>th</sup>, along with several earlier increases, the water allotment per irrigated acre was raised to 18" (21" below CVR).
- Reservoirs were heavily used and ended the year at levels not seen since 2001. To allow additional time for filling reservoirs, water for irrigation was shut down September 25<sup>th</sup> (2 weeks earlier than average). Reservoirs were filled to normal or near normal levels by December 8<sup>th</sup>.
- Precipitation remained much below the long term average and below what was received in 2001. 548,100 ac-ft of the 679,000 ac-ft license was available and was used, translating to 15" being delivered to the farm gate. The delivery system showed resiliency through canal to pipeline rehabilitation efficiencies, on-farm conversions, good communication between irrigators and Water Operators, live monitoring (IRMA), and reduced operational spill.
- Water Sharing Agreements are being formalized and for the Bow River will include the BRID, EID, WID, and other major license holders.
- Projects under the Alberta Irrigation Modernization (AIM) program continue to proceed, with new pipeline installations occurring again this year. The Snake Lake Reservoir expansion project continues to advance with engineering, geotechnical, and regulatory phases ongoing. The District is hopeful that construction could commence in 2025.
- Two solar projects on District lands have received regulatory approval from the Alberta Utilities Commission (AUC) to proceed.
- The Farm Improvement Program saw 67 approved applications totaling \$550,189, with the majority for converting to a more efficient method of irrigation, cost-shares to accommodate pivots, and return of deductions.
- Spring presented with good moisture and grass conditions; however, as the season progressed, well below normal precipitation and high heat prevailed, reducing new growth. 17,434 head of cattle were placed on pastures and brought home a week earlier than normal due to the continued dry conditions; total AUMs were 81,719. The maximum listing for the 2024 grazing season has tentatively been set at 65 head.

- 22 new wells were established on District land, 35 wells were twinned, 58 wells were reclaimed, and 16 abandonment notifications were received. 26 miles or 155 acres of new pipelines were added.
- With the large and growing network of irrigation facilities and EIDNet fibre installations, the EID is now registered with Alberta One Call, which operates as Utility Safety Partners.
- Topics that were before the Board in 2023:
  - What cost is prohibitive to construct Snake Lake Reservoir?
    - The Snake Lake Reservoir project was approved at the February 27, 2024, Board Meeting at an estimated cost of \$273 million.
  - Should Capital Assets be increased?
    - Capital assets charges were increased on November 28, 2023:
      - \$750/acre for converting terminable acres to irrigation acres;
      - \$1,500/acre for infill and efficiency acres up to 50 irrigation acres per parcel;
      - \$3,600/acre for infill and efficiency acres over 50 irrigation acres per parcel; and
      - \$3,600/acre for acres assessed to dry parcels (new acres).
  - Should large scale irrigation developments be allowed?
    - Discussions are still ongoing.
  - What role beyond irrigation development does the District play in the economic development of the area?
    - All developments will be considered on their own merits.
- Irrigators were encouraged to reach out to Directors to discuss any matters of interest including the following topics before the Board in 2024:
  - Drought Management
  - Snake Lake Reservoir Expansion Project
  - Irrigation Expansion Pace
  - Capital Asset Charges
  - How should large scale irrigation developments be handled?
  - What role beyond irrigation development does the District play in the economic development of the area?
- In follow up to questions received previous to the AGM regarding justifying and supporting the EID's operational cost per irrigated acre in relation to other districts, comparative district data was presented regarding the geographical size of the districts, number of irrigation acres, diversion and major structures, conveyance and drainage works, variety of crops, and capital asset charges.
- Sincere appreciation was extended to water users, Directors, and staff for the understanding, flexibility, and additional work necessary in achieving the District's primary directive of conveying water to the farm gate.

Ms. Johnson asked for a motion to accept the report.

**Moved by Jeff Van Wert that the 2023 General Manager's Report be accepted as presented.  
Seconded by Tony Brummelhuis.**

Ms. Johnson asked if there were any questions of the General Manager; one question received was deferred to the Engineering Manager's Report. As there were no further questions, Ms. Johnson requested a vote on the motion.

**The motion to adopt the report was carried.**

**6.03 Maintenance Report – Mr. Ivan Friesen, General Manager**

Mr. Friesen presented the Maintenance of Irrigation Works Report as summarized below:

- Maintenance costs for 2023 totaled \$2,919,855; which is near the 5 year average.
- Materials and heavy equipment costs are trending higher due to inflationary pressures on the cost of materials and increasing recovery rates on heavy equipment.

Ms. Johnson asked for a motion to accept the report.

**Moved by Carl Chomistek that the 2023 Maintenance Report be accepted as presented.  
Seconded by Gerwin Van Den Hoek.**

Mr. Friesen responded to a question from the floor, followed by Ms. Johnson requesting a vote on the motion.

**The motion to adopt the report was carried.**

**6.04 Rehabilitation Report – Mr. Ryan Gagley, Engineering Manager**

Mr. Gagley reviewed the 2023 Rehabilitation Report, displayed information on completed projects, and advised of plans for future Capital and IRP projects.

- In 2022/2023, \$37,660,200 of District funds were spent on construction projects. 15 km of pipeline was installed, 4.5 km of canal was rehabilitated, and 11 concrete structures were installed.
- 2024/2025 capital construction will consist of 6 proposed projects, subject to Board approval: 03 East Branch (IRP), U-02 Tilley (AIM), J Tilley (AIM), 14-H West Bantry (AIM), V Tilley (AIM), Rolling Hills Canal (AIM), as well as the continuance of the County/EID Joint Drainage Program in the Rolling Hills area.
- The Snake Lake Reservoir expansion project is located 32 km NW of Brooks. Current storage is 14,900 ac-ft, with the project proposing an expanded storage to 70,000 ac-ft. Water is diverted into the reservoir from the East Branch Canal and from the reservoir via the Snake Lake Canal to the Springhill Canal, supporting approximately 50,000 acres downstream. Earthworks will include the construction of an 8 km berm, up to 20 m in height. A new low-level outlet structure will be installed at the NE end of the expanded reservoir and the receiving Snake Lake Canal will have its capacity increased to 800 cfs. Extensive fieldwork and laboratory analysis has been undertaken to determine the existing ground conditions, i.e. analysis of physical, chemical, and geotechnical properties. The height of the dam (>15 m) and the total storage of the reservoir (>24,300 acre-feet) triggered a provincial Environmental Impact Assessment (EIA) for the project. Draft Terms of Reference (TOR) have been created and outline the potential impacts of expanding the reservoir that must be addressed. The current process of reviewing initial public and GOA comments, followed by preparation of final TOR and EIA reports, will then lead into an approximate 1-2 year timeline for obtaining approval from Environment & Protected Areas (E&PA) Environmental Assessment Group, E&PA Water Act Group, and the Natural Resources Conservation Board.

Ms. Johnson asked for a motion to accept the report.

**Moved by Brian de Jong that the 2023 Rehabilitation Report be accepted as presented. Seconded by John Brummelhuis.**

Mr. Gagley responded to questions from the floor, followed by Ms. Johnson requesting a vote on the motion.

**The motion to adopt the report was carried.**

#### **6.05 Audited Financial Statements of the District – Mr. Ed Chapman, Bevan and Partners**

Mr. Chapman, Bevan and Partners, advised that at the conclusion of the audit a clean audit report on the financial statements was presented in accordance with Canadian accounting standards for Not-For-Profit organizations. A summary of the independent auditor's report and the audited financial statements was then presented, highlighted as follows:

##### Assets

- Current Assets
  - Overall current assets increased by \$13.05 million. Cash decreased by \$19.08 million, short term deposits increased by \$13.54 million and investments decreased by \$5.92 million. This however, is offset by money now being held in the trust receivable and in long-term investments which are investments due after September 30, 2024.
  - As interest rates on investments stayed consistent throughout the year, money that was previously held in the chequing account was transitioned into investments where a higher rate of return was recognized.
  - Accounting standards require cash to be disclosed in different categories, but in perspective, the total cash available to the EID in 2022 was \$106.297 million and in 2023 was \$106.237 million, which was relatively unchanged from the previous year.
  - Accounts receivable changed by \$1.837 million and is primarily the result of accrued billing for irrigation water in 2023.
  - Changes that occurred in materials and supplies and prepaid expenses are normal fluctuations that can occur year to year.
- Non- Current Assets
  - There were no significant changes to deposits and trust funds from the previous year.
  - Accounts receivable increased over the previous year and was the result of work billed in the current year but not due for repayment before September 30, 2024.
  - Long term investments, which are investments not due within the next 12 months, increased by \$5.26 million, primarily from renewing some investments for a period greater than 1 year, due to favourable interest rates.
- Property and Equipment
  - There was an increase of \$21.483 million net of amortization expenses compared to the previous year.
  - The increase in building and equipment was primarily the result of the continued Fibre Optic installation occurring throughout the District and other normal capital asset additions during the year.
  - The net increase in irrigation works was the result of irrigation works projects capitalized at \$37.66 million and the yearly amortization of \$20.12 million.

- The irrigation works projects additions were comprised of the AIM projects, IRP projects, and other EID capital projects.
- During the year there was an additional \$5.67 million spent on the Snake Lake Reservoir expansion.

#### Liabilities

- Long term debt increased by \$5.27 million, directly attributable to the AIM Program.
- Deferred grants and contributions decreased by \$430 thousand during the year. The District received funding of around \$6.65 million from AIM and the Province of Alberta under the IRP program. This money will be amortized into revenue as the funds are spent. In 2023, \$7.09 million was amortized into revenue.

#### Fund Balances

- Fund balances are used to track how funds have been spent and allocated for future EID projects (see Note 10 to the financial statements).
- The total fund balances at year end are essentially the District's equity position at year end.
- Internally restricted assets are funds that the Board of Directors has allocated to future projects relating to community pasture development and irrigation works additions.
- Externally restricted assets are funds that have been received from the Province that must be used for specific cost shared irrigation projects.
- The total fund balance increased by \$23.32 million from the previous year end.

#### Statement of Operations

- During the year, the total water earnings increased by \$1.69 million. The majority of the increase was a result of a water rate being charged in 2023 (see Note 11 to the financial statements).
- Investment income increased over the previous year due to improved rates of return available on investments when compared to the 2022 fiscal year end.
- The gain on sale of land and equipment and buildings consisted of approximately 73 acres of land sold and the disposal of other depreciable assets during the year.
- Capital asset charges increased by \$2.9 million over the previous year, which is a product of the AIM program and the increase in the number of acres that could be sold in one year.
- Amortization of irrigation works has increased over the past year and was expected, given the most recent capital asset additions to irrigation works.
- Total operating and administration expenses were up \$635 thousand; however, this was not the result of one specific item, rather that everything was more expensive compared to 2022.
- Special projects saw decreased expenditures over the previous year and were more reflective of past years. A significant increase in Farm Improvement Program expenses in 2022 was the primary reason for the net change from the previous year as a portion of the program ended in September 2022.
- EIDNet revenue, as laid out in Note 15 to the financial statements, stayed consistent with the previous year and profitability dropped due to increased expenses when compared to the previous year.
- The surplus at the end of the year was \$18.47 million.

#### Cash Flow

- The cash flow statement shows the increases and decreases in the District's cash position during the year. Unlike the income statement that uses accrual accounting, the cash flow statement shows the cash movements during the year only.
- The total cash shown as available on the cash flow statement only shows the cash and cash equivalents at the end of the year. This is defined as the cash and short term securities with maturities less than 90 days from the year end date. This is displayed at the bottom of the cash flow statement.
- The cash position decreased by \$5.54 million from the previous year and this decrease can be directly attributed to the cash that was moved from the EID to a trust account held by the AIM project, which does not meet the definition of cash for cash flow statement purposes.

Ms. Johnson asked for a motion to accept the report.

**Moved by Gerwin Van Den Hoek that the 2023 Independent Auditor's Report and Financial Statements be accepted as presented. Seconded by John Brummelhuis.**

Ms. Johnson asked if there were any questions of Mr. Chapman; being none she asked for a vote on the motion.

**The motion to adopt the report was carried.**

## **7.0 General Matters & New Business**

### **7.01 Plan for 2024 Irrigation Season**

Mr. Friesen outlined the strategy for the irrigation season this year under the revised Maximum Water Delivery Bylaw #970 Drought Plan Guidelines. The 24"/acre maximum on a parcel (average of 18"/acre across the District) remains (Stage 1 of Drought Plan Guidelines); however, to support efficiencies in water use the District will begin each irrigation season with an 18"/acre maximum on a parcel (Stage 2), and will increase or decrease this amount by entering a different stage of the plan, taking into account various factors including time of year, snowpack, precipitation, river and reservoir levels, and weather forecasts. Each irrigation month, and particularly in June, the operating stage will be confirmed, or may be adjusted by resolution of the Board. The ability to transfer or purchase deliveries of water is provided in selected stages of the drought plan. This spring, diversion will begin as early as possible and timely updates will be provided as conditions warrant. If conditions warrant, an early shut down date will be discussed to fill reservoirs in the fall. Currently, reservoir levels are more or less at normal winter levels, making supply conditions normal.

### **7.02 EIDNet Funding Announcement**

Mr. Friesen advised that EIDNet has been selected to receive 50/50 joint funding from the Universal Broadband Fund (UBF) and Alberta Broadband Fund (ABF), for a total of \$8,303,402. The UBF is part of the Government of Canada's coordinated plan to connect Canadians with broadband services through its "High-Speed Access for All: Canada's Connectivity Strategy". The ABF is part of the "Alberta Broadband Strategy" to improve access to high-speed internet. The initial fibre plan project was condensed from 8 phases to 4, has completed phase 1 and 2, and is currently in construction of its 3<sup>rd</sup> phase.



**7.03 General Matters Raised from the Floor**

Ms. Johnson asked if there were any questions from the floor.

Directors and the General Manager responded to various questions from the floor regarding the proposed Eyremore Dam, development of new acres, GOA soils standards, water rate, funding large scale projects, allottable expansion acres per year, EIDNet, and Crawling Valley Reservoir capacity.

**7.04 Report on Scheduled Elections – Mr. Ivan Friesen, Returning Officer**

Mr. Friesen reported that the terms for the current Directors for Electoral Division 3 (Patricia/Millicent) and Electoral Division 6 (Tilley) have been completed; therefore, nominations are being accepted for these divisions. The nomination period will close Wednesday, March 6, 2024, at 5:00 p.m. Nomination forms can be obtained from the District Office. An election, if necessary, will be held Tuesday, April 9<sup>th</sup>.

**8.0 Adjournment**

Mr. Hemsing thanked EID field and office staff for going above and beyond, especially in a year of extreme drought. He also thanked Ross Owen for serving 15 years on the Board of Directors, and specifically his perspectives on the District as a whole. There being no further questions and no new business arising, Ms. Johnson called for a motion to adjourn the meeting.

**Moved by Jeff Van Wert that the annual meeting be adjourned at 3:40 p.m.**